

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
MONDAY, JUNE 12, 2006
AT 2:00 P.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

Table of Contents

CHRONOLOGY OF THE MEETING.....	3
ATTENDANCE DURING THE MEETING	3
ITEM-1: ROLL CALL.....	3
ITEM-10: INVOCATION	4
ITEM-20: PLEDGE OF ALLEGIANCE.....	4
CLOSED SESSION	4
ITEM-200: Two actions related to Proposed Partial and Final Consent Decrees in San Diego	7
ITEM-201: Two actions related to Notice of Intent to Reimburse Eligible Water and Wastewater Expenditures.....	10
ITEM-202: Citywide Memberships	12
ITEM-203: Fiscal Year 2007 Tax Appropriations Limit (Gann Limit).....	14
ITEM-204: Memorandum of Understanding for La Jolla Storm Water Planning Grant.....	17
ITEM-205: Agreement with the San Diego Community College District (Miramar College) to Implement Fire Technology 265 Training Program	19
ITEM-206: Francis Street Excess Land Sale	22
ITEM-207: Fiscal Year 2006-07 Tax and Revenue Anticipation Note	24
ITEM-208: Connolly Residence	29
ITEM-209: Vista Diego	33
ITEM-250: Notice of Pending Final Map Approval – House of Blues/Diegan Hotel	37

ITEM-251:	Notice of Pending Final Map Approval – 4328 Louisiana Street	38
ITEM-252:	Notice of Pending Final Map Approval – Felspar Park	39
ITEM-253:	Notice of Pending Final Map Approval – 4955 Narragansett Avenue.....	39
ITEM-254:	Notice of Pending Final Map Approval – 4929 Del Monte Avenue.....	41
ITEM-255:	Notice of Pending Final Map Approval – 4940 Del Monte Avenue.....	42
ITEM-256:	Notice of Pending Final Map Approval – Spectrum Terrace	43
ITEM-257:	Notice of Pending Final Map Approval – 4367 Idaho Street	43
ITEM-258:	SUBMISSION OF BALLOT PROPOSALS	44
ITEM-S400:	Third Amendment to the Agreement between the City and Stradling Yocca Carlson & Rauth for Bond Counsel Services	45
ITEM-S401:	Update and Discussion of Pending State Legislation (AB 2987 Statewide Cable TV Franchise) and its Potential Significant Policy and Fiscal Impacts on Cities	47
REPORT OUT OF CLOSED SESSION		47
NON-DOCKET ITEMS		49
ADJOURNMENT.....		49

CHRONOLOGY OF THE MEETING:

The meeting was called to order by Council President Peters 2:01 p.m. Council President Peters recessed the meeting at 3:10 p.m. for the purpose of a break. Council President reconvened the meeting at 3:17 p.m. with all Council Members present. The meeting was adjourned by Council President Peters at 4:34 p.m.

ATTENDANCE DURING THE MEETING:

- (1) Council Member Peters-present
- (2) Council Member Faulconer-present
- (3) Council Member Atkins-present
- (4) Council Member Young-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present
- (8) Council Member Hueso-present
- Clerk-Maland (ek)

FILE LOCATION: MINUTES

ITEM-1: ROLL CALL

Clerk Maland called the roll:

- (1) Council Member Peters-present

- (2) Council Member Faulconer-present
- (3) Council Member Atkins-present
- (4) Council Member Young-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present
- (8) Council Member Hueso-not present

FILE LOCATION: MINUTES

ITEM-10: INVOCATION

Invocation was given by Reverend Homer Allen of the
Community Full Gospel Church.

FILE LOCATION: MINUTES

ITEM-20: PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by President Pro Tem Young.

FILE LOCATION: MINUTES

CLOSED SESSION:

**Conference with Legal Counsel - existing litigation, pursuant to California Government
Code section 54956.9(a):**

CS-1 *Border Business Park v. City of San Diego*

Appellate Case No. D039225; San Diego Superior Court Case No. GIC 692794

Otay Acquisitions v. City of San Diego

San Diego Superior Court Case No. GIC 753247

National Enterprises, Inc. v. City of San Diego

San Diego Superior Court Case Nos. GIC 791407; GIC 805465

REFERRED TO CLOSED SESSION OF TUESDAY, JUNE 13, 2006

EACA assigned: D. McGrath

These matters involve a variety of disputes between certain companies owned or controlled by Roque de la Fuente and the City of San Diego regarding the Border Business Park in Otay Mesa. In closed session, the City Attorney will update the Council on the status of these matters.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 3:06 p.m. – 3:06 p.m.)

Council President Peters closed the hearing.

CS-2 *William J. McGuigan v. City of San Diego*
San Diego Superior Court Case No. GIC849883

REFERRED TO CLOSED SESSION OF TUESDAY, JUNE 13, 2006

CA: M. Aguirre/D. McGrath

This lawsuit was filed on behalf of a retired City employee against the City of San Diego requesting that the Court order the City to immediately pay all past unfunded pension liability to the retirement system. In closed session, the City Attorney and retained counsel will update the Mayor and City Council on the litigation's status and discuss possible settlement of the litigation.

CLOSED SESSION COMMENT 1:

Daniel Coffey spoke in opposition to the settlement offer in McGuigan v. City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 3:06 p.m. – 3:09 p.m.)

Council President Peters closed the hearing.

CS-3 *SDCERS v. Michael J. Aguirre, et al.*

Case No. GIC841845

And related Cross-Action

Consolidated with Cases GIC851286 and GIC 852100

REFERRED TO CLOSED SESSION OF TUESDAY, JUNE 13, 2006

CA M. Aguirre

In closed session the City Attorney will give the Council a status report on the pending litigation and request for authorization for outside counsel, Latham & Watkins, to assist the City Attorney's office in the pending summary judgment motions.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 3:06 p.m. – 3:06 p.m.)

Council President Peters closed the hearing.

Conference with Legal Counsel - anticipated litigation - significant exposure to litigation, pursuant to California Government Code section 54956.9(b):

CS-4 *In the matter of City of San Diego Bond Offerings, the United States*

Securities & Exchange Commission No. LA-2842 Investigation into City Bond and Disclosure Practices

REFERRED TO CLOSED SESSION OF TUESDAY, JUNE 13, 2006

CDCA assigned: M. Blake

The U.S. Securities and Exchange Commission has been conducting an investigation into the City's bond and disclosure practices. In closed session, the City Attorney and retained counsel will advise the City Council on the progress of the investigation, status of the tentative draft consent decree, and legal and factual issues relating thereto.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 3:06 p.m. – 3:06 p.m.)

Council President Peters closed the hearing.



ITEM-200: Two actions related to Proposed Partial and Final Consent Decrees in San Diego

Baykeeper/Surfrider v. City of San Diego and United States et al. v. City of San Diego.

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2006-970) ADOPTED AS RESOLUTION R-301519

Authorizing the payment of attorney's fees and costs to BayKeeper/Surfrider Foundation in connection with the Second Partial Consent Decree in United States & BayKeeper/Surfrider Foundation v. City of San Diego, U.S. District Court No. 01-CV-0550-B, in the amount of \$_____, provided that the City Auditor and Comptroller first furnishes one or more certificates indicating that the funds necessary for this expenditure are available in the City Treasury.

Subitem-B: (R-2006-969) ADOPTED AS RESOLUTION R-301520

Authorizing the Mayor, or his designee, to complete a rate case analysis of the City's sewer rates to determine the impact of the proposed Final Consent Decree in United States et al. v. City of San Diego, U.S. District Court No. 01-CV-0550-B, and to present such analysis to the City Council for consideration;

Authorizing the Mayor, or his designee, to execute, for and on behalf of the City, the Second Partial Consent Decree in U.S. et al. v. City of San Diego, Case No. 01-CV-0550-B, under the terms and conditions set forth in the Second Partial Consent Decree;

Declaring this activity is not a "project" and is therefore not subject to the California Environmental Quality Act pursuant to CEQA Guideline Section 15060(c)(3).

STAFF SUPPORTING INFORMATION:

On March 29, 2001, San Diego Baykeeper and Surfrider Foundation filed Case No. 01-CV-0550-B against the City of San Diego in Federal Court alleging repeated violations of the Clean Water Act due to sewer system overflows. On July 3, 2003, the State of California (Regional Water Quality Control Board) filed a similar action against the City of San Diego in

Case No. 03-CV-1381-B. The United States of America (Environmental Protection Agency) also filed a similar action on July 9, 2003, in Case No. 03-CV-1349-K. The cases were consolidated into one proceeding on September 3, 2003.

On April 26, 2004, the Mayor and City Council approved a final settlement with the State of California in Resolution No. R-300023. The Final Consent Decree presented here would settle the lawsuits filed by San Diego Baykeeper, Surfrider Foundation, and the Environmental Protection Agency. No action is requested on the proposed Final Consent Decree at this time - it is being presented for discussion only.

The proposed Final Consent Decree would require the City to continue to take steps to reduce sewage spills. Requirements include upgrades and repairs to 30 sewer pump stations and 45 miles/year of sewer pipe, including 18 trunk sewers. In addition, the City will be required to clean at least 1,500 miles of sewer pipe each year. The estimated cost of complying with the proposed Final Consent Decree is \$163 million per year in capital costs, plus an additional \$50 million per year in operation and maintenance costs, through Fiscal Year 2013. A study is being conducted to determine what effect the proposed Final Consent Decree may have on sewer rates.

The proposed second Partial Consent Decree is an extension of the existing Partial Consent Decree approved by the City Council last year. The second Partial Consent Decree will require the City to continue its aggressive cleaning and inspection programs, and to rehabilitate an additional 30 miles of sewer mains. The duration of the Partial Consent Decree is one year, unless a Final Consent Decree is approved sooner.

As a condition to approving the second Partial Consent Decree, San Diego Baykeeper/Surfrider is requesting payment of its attorney's fees. Since 2001, Baykeeper/Surfrider has incurred \$419,923.44 in attorney's fees. The City previously paid \$110,000 in attorney's fees in conjunction with approval of the first Partial Consent Decree, leaving a balance of \$309,923.44. At the City Council meeting, Baykeeper/Surfrider will present its argument as to why the remaining attorney's fees should be paid in full, for the Council's consideration.

FISCAL CONSIDERATIONS:

Costs associated with the proposed second Partial Consent Decree are already included in the proposed FY2007 MWWF budget. Plaintiff's attorney's fees of \$309,924 are available in the Sewer Revenue Fund Operating Budget.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

A related action, Resolution R-300898 was approved by Council on October 10, 2005.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Not applicable for this type of action.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Key stakeholders are: San Diego Baykeeper and Surfrider Foundation; Regional Water Quality Control Board.

Ferrier

Aud. Cert. 2600800.

Staff: Thomas C. Zeleny - (619) 236-7728
Thomas C. Zeleny - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:05 p.m. – 2:36 p.m.)

MOTION BY MADAFFER TO ADOPT THE RESOLUTION IN SUBITEM A:

Second by Young. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-ineligible, Madaffer-yea, Hueso-yea.

MOTION BY MADAFFER TO ADOPT THE RESOLUTION IN SUBITEM B:

Second by Young. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-201: Two actions related to Notice of Intent to Reimburse Eligible Water and Wastewater Expenditures.

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2006-1001) ADOPTED AS RESOLUTION R-301521

Declaring the Council of the City of San Diego's (Issuer) intention to issue Debt in a principal amount not to exceed \$350,000,000, the proceeds of which will be used to pay for the costs of the Project (and related issuance costs), including the reimbursement to the Issuer for certain capital expenditures relating to the Project made prior to the issuance of the Debt, in accordance with Section 1.150-2 of the Treasury Regulations.

Subitem-B: (R-2006-1008) ADOPTED AS RESOLUTION R-301522

Declaring the Council of the City of San Diego's (Issuer) intention to issue Debt in a principal amount not to exceed \$550,000,000, the proceeds of which will be used to pay for the costs of the Project (and related issuance costs), including the reimbursement to the Issuer for certain capital expenditures relating to the Project made prior to the issuance of the Debt, in accordance with Section 1.150-2 of the Treasury Regulations.

STAFF SUPPORTING INFORMATION:

The City of San Diego ("City") intends to acquire and construct, or cause to be acquired or constructed, certain improvements, additions, and/or rehabilitations to the City Water and Wastewater Systems (the "Projects"). It is anticipated that certain capital expenditures related to the Projects will be made on a cash basis prior to the issuance of debt. In order to reimburse capital expenditures with bond proceeds, the City must adopt a reimbursement resolution in accordance with Section 1.150-2 of Treasury Regulations ("Regulations").

The City reasonably expects that the Projects will require the issuance of (i) debt obligations for the Water System, in a total amount not expected to exceed Three Hundred and Fifty Million Dollars (\$350,000,000) and such amount is expected to be issued in Fiscal Year(s) 2007, 2008 and/or 2009, and (ii) debt obligations for the Wastewater System, in a total amount not expected to exceed Five Hundred and Fifty Million Dollars (\$550,000,000) and such amount is expected to be issued in Fiscal Year(s) 2007, 2008 and/or 2009. Certain of the proceeds of such debt obligations will be used to reimburse eligible Reimbursement Expenditures as explained above.

By adopting the resolutions the City will satisfy the Official Intent Requirement under the Regulations and be able to reimburse certain capital expenditures from proceeds of future Water System and Wastewater System bond issuances. Adoption of these resolutions will not obligate the City to expend any funds or issue debt. The adoption of the resolutions merely enables the City to reimburse itself for all qualified expenditures from any bonds issued.

FISCAL CONSIDERATIONS:

None.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

None.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

None.

Granewich/Goldstone

Staff: Christine Ruess - (619) 235-5834
Mark D. Blake – Chief Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:36 p.m. – 2:39 p.m.)

MOTION BY HUESO TO ADOPT. Second by Atkins. Passed by the following vote:
Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea,
Madaffer-yea, Hueso-yea.



ITEM-202: Citywide Memberships.

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2006-823 Cor. Copy) ADOPTED AS RESOLUTION R-301523

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed from Activity 2501-Master Lease, Object Account 4279-Other Non-Personnel to the following:

- a. Transfer \$379,973 to Activity #2100-Memberships, OA #4463
- b. Transfer \$1,152 to Activity #2250-Employee Personal Prop Claims, OA #4465
- c. Transfer \$3,649 to Activity #2750-Municipal Activities, OA #4222
- d. Transfer \$24,945 to Activity #3252-Docket Services, OA #4222
- e. Transfer \$170,000 to Activity #3300-Financial Services, OA #4222

- f. Transfer \$57,500 to Activity #5350-Health, OA #4229
- g. Transfer \$41,586 to Activity #5501-Energy Management Program, OA #4222.

STAFF SUPPORTING INFORMATION:

The Citywide Program Expenditures Department (Citywide) is comprised of: various activities that provide benefits and services citywide; General Fund program portions whose funding is divided among enterprise and general funds; and programs or activities generally not attributable to a specific City department. Such programs include the Human Relations Commission, Citywide Training, and the Citizens' Review Board on Police Practices.

Activity #2100 Memberships provides General Fund membership funding for the City and certain management staff members. Key membership dues include the Government Finance Officers Association (GFOA), the California Society of Municipal Finance Officers (CSMFO), American Public Works Association (APWA), and the San Diego Association of Governments (SANDAG). This activity also pays for the application cost for GFOA and CSMFO budget document awards.

Historically, the Memberships activity has not been increased in recent years due to budget constraints. This, along with cumulative membership increases and the mandatory addition of the Local Agency Formation Commission, has resulted in the Memberships activity being substantially over budget. Consequently, the Citywide analyst is then required to identify and transfer savings from other Citywide activities to cover the deficit. However, the Appropriation Ordinance limits such transfers to \$100,000 without Council approval.

To resolve this issue, staff recommends:

- 1) Authorizing the City Auditor and Comptroller to transfer a total of \$678,805 from Activity #2501-Master Lease to other Citywide activities.

It should also be noted that the Citywide Memberships budget is proposed to be increased by \$300,000 in Fiscal Year 2007, using identified savings in other Citywide activities, which should preclude the need for large or frequent transfers in order to cover these expenses in future fiscal years. In addition, the surplus funding in the Office Space Master Lease Program - Activity 2501 - is being eliminated in Fiscal Year 2007. This funding has historically been used to cover deficits in other Citywide accounts, including Memberships.

FISCAL CONSIDERATIONS:

None - Expense will be covered with savings in the Office Space Master Lease activity.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

None.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

None.

Kane/Goldstone

Aud. Cert. 2600808.

Staff: Martin Kane - (619) 236-6882
Mark D. Blake – Chief Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:39 p.m. – 2:44 p.m.)

MOTION BY ATKINS TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-not present.



[ITEM-203:](#) Fiscal Year 2007 Tax Appropriations Limit (Gann Limit).

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2006-1004) ADOPTED AS RESOLUTION R-301524

Establishing the following tax appropriations limit for the City of San Diego, pursuant to the authority of California Government Code, Division 9, Title 1 (Sections 7900 et seq.):

Established for Fiscal Year 2004 \$807,446,834

Established for Fiscal Year 2005 \$924,630,272
Established for Fiscal Year 2006 \$1,063,139,887
Established for Fiscal Year 2007 \$1,154,782,545

Certifying the documentation upon which the tax appropriations limit herein established has been determined, which is attached hereto as Exhibit A, has been made available for public information and review at the Office of the City Clerk May 16, 2006, pursuant to the requirements of Section 7910 of the California Government Code.

STAFF SUPPORTING INFORMATION:

In November 1979, California voters approved Proposition 4 (the Gann Initiative) and added Article XIII B to the California State Constitution. In 1980, the State Legislature added Division 9 (commencing with Section 7900) to Title I of the Government Code to implement Article XIII B. This legislation required the governing body of each local jurisdiction in California to establish a Tax Appropriations Limit on or before June 30 of each year for the following fiscal year. The Tax Appropriations Limit is based on actual appropriations during the FY 1978-79, and adjusted each year using population and inflation adjustment factors.

On June 5, 1990, California voters approved Proposition 111, amending Article XIII B. Proposition 111 allowed local jurisdictions to choose among measures of inflation and population growth to compute the adjustment factor. The measures for inflation (price factors) include growth in the California per capita income or growth in the non-residential assessed valuation due to construction within a city; measures for population growth include population growth in population within the county or city. Attachment 1 presents a ten-year history of the adjustment factors and tax appropriation limits for the City.

The proposed Tax Appropriations Limit for FY 2007 is \$1.15 billion. In accordance with Proposition 111 guidelines, the FY 2007 adjustment factor was calculated by adjusting the prior year's tax appropriations limit using one of the adjustment factors. See attachment 2 for alternative adjustment factors applicable to FY 2007. The recommended FY 2007 adjustment factor was calculated using the price factor based on the percent change in assessed valuation of non-residential construction within the City (7.61 %) and the population factor based on the percent growth in the County's population (0.94%), resulting in an adjustment factor of 8.62% (See Attachment 2). The use of this adjustment factor results in an Appropriations Limit for FY 2007 of \$1.15 billion, which is an 8.62% increase over \$1.06 billion, the Tax Appropriations Limit in FY 2006.

The Tax Appropriations Limit does not apply to all City revenues, or all General Fund revenues, but only to proceeds of taxes, including property tax, sales tax, transient occupancy tax, motor

vehicle license fees, and other local taxes, less the amount paid in debt service on both voter-approved debt and qualified capital outlays¹. Other revenues, including fees, licenses and permits, rents and concessions, and inter-fund transfers are not subject to the limit. The Proposed Budget for FY 2007 projects the tax appropriations subject to the limit to be \$749,508,086. See Attachment 3 for details on the FY 2007 appropriations subject to the limit. The projected appropriations subject to the limit are estimated to be approximately \$405.3 million below the recommended limit².

FISCAL CONSIDERATION(S):

The City Council has the option to select one of the other three adjustment factors allowed under Proposition 111 to establish the FY 2007 Tax Appropriations Limit. As shown in Attachment 2, each of these three alternative options would result in a lower annual adjustment factor and therefore a lower tax appropriations limit. A lower appropriations limit would lower the base used for calculation of the limit in future years, which could lower the City's ability to appropriate its tax revenues.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Since the inception of the Gann Initiative in 1979, the City Council has adopted a tax appropriations limit annually.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

In accordance with California Law, Division 9 of the Government Code, supporting documents for the tax appropriations limit is made available to the public, at the Office of the City Clerk, fifteen days prior to City Council adoption of the limit.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Not adopting the FY 2007 Tax Appropriations Limit on or before June 30, 2006 will be a violation of California Law, Division 9 of the Government Code.

Goldstone

Staff: Lakshmi Kommi – (619) 236-6928
Mark D. Blake – Chief Deputy City Attorney

¹A fixed asset, including land, with a useful life of more than 10 years and a value that equals or exceeds \$100,000.

²Changes to the FY 07 Proposed Budget will not impact the action of establishing the limit, which is calculated using adjustment factors and the prior year's limit. If changes to the budget

lead to an increase in appropriations subject to the limit, the gap between the appropriations subject to the limit and the limit will change. As noted above, the projected appropriations subject to the limit are well below the recommended limit.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:44 p.m. – 2:51 p.m.)

MOTION BY YOUNG TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-204: Memorandum of Understanding for La Jolla Storm Water Planning Grant.

(La Jolla Community Area. District 1.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2006-981) CONTINUED TO MONDAY, JUNE 19, 2006

Authorizing the Mayor, or his designee, to execute a Memorandum of Understanding between the City of San Diego, San Diego Coastkeeper, and the Scripps Institute of Oceanography for Storm Water Planning in La Jolla (MOU), together with any modifications or amendments thereto that in the opinion of the Mayor are reasonably necessary to accomplish the purposes of the MOU and do not increase the City's costs under the MOU;

Authorizing the Mayor, or his designee, to take all necessary actions to implement the MOU and secure Program grant funding, including conducting negotiations and executing documents necessary for receipt, expenditure, and/or distribution of funds awarded as a result of participating in the Program;

Authorizing the City Auditor and Comptroller to establish one or more special interest-bearing funds for the Program grant(s);

Authorizing the City Auditor and Comptroller to appropriate and expend Program grant monies, contingent upon receipt of one or more fully executed Program grant agreements;

Declaring this activity is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(b)(2).

STAFF SUPPORTING INFORMATION:

The State of California Water Quality Resources Control Board (State Board) has established 34 "Areas of Special Biological Significance" (ASBS) offshore of the California Coast. Two adjacent ASBS exist off the coast of La Jolla Shores and the Scripps Institution of Oceanography (SIO) within the City's jurisdiction. Discharges of storm water into ASBS are prohibited by the Ocean Plan; however, City staff is currently preparing an application for an exception to this prohibition.

On October 20, 2005, the State Board approved an Integrated Coastal Watershed Management Planning Grant (Prop 50) in the amount of \$500,000 for SIO to study sources and solutions to storm water quality issues within the ASBS and watersheds. The City of San Diego and San Diego Baykeeper (now known as San Diego Coastkeeper) were listed in the grant proposal as entities which would participate in the grant activities. Some of the grant activities support the exception application and include: sampling runoff for contaminants, sampling receiving waters for contaminants, characterizing land uses and storm water flows within the ASBS watersheds, development of Best Management Practices, and public education/outreach.

The proposed Memoranda of Understanding clarify relationships between the co-signers, specify the grant activities that each of the co-signers will undertake, and specify the distribution of grant proceeds. Of the \$500,000 in grant proceeds, Scripps will pass \$207,000 through to the City of San Diego and, of that, the City will pass through \$32,000 to Coastkeeper for its work. Grant match requirements would be paid by SIO. City staff is available to monitor revenues and expenditures and to work on the grant, including administration of consultant contracts. Accounts to track grant revenues and expenditures would be established once the agreement is executed by all parties.

Haas/Tulloch/CZ

Staff: Chris Zirkle - (619) 525-8644
Timothy J. Miller - Deputy City Attorney

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 2:03 p.m. – 2:04 p.m.)

MOTION BY MADAFFER TO CONTINUE TO MONDAY, JUNE 19, 2006, FOR FURTHER REVIEW. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-not present.



ITEM-205: Agreement with the San Diego Community College District (Miramar College) to Implement Fire Technology 265 Training Program.

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2006-1012) ADOPTED AS RESOLUTION R-301525

Authorizing the Mayor to execute the agreement between the City and San Diego Community College District (Miramar College) to implement a Fire Technology 265 program;

Authorizing the City Auditor and Comptroller to establish a special interest-bearing fund for the Fire Technology 265 Training Program;

Authorizing the City Auditor and Comptroller to accept, appropriate and expend the revenue for the sole purpose of enhancing the Fire Technology 265 Training Program.

STAFF SUPPORTING INFORMATION:

San Diego Fire-Rescue Department has established operating procedures in place that ensure on-going training. Daily training is a requirement of all fire station crews. Refresher drills, multi-company training and in-service training are all an integrated part of the fire station daily routine.

Due to budget short falls and the need for increased training, the Department has sought creative means to fund its training programs. In 1992, the Department started using the California Fire Fighter Joint Apprenticeship Committee (CFFJAC) program.

The California Fire Fighter Joint Apprenticeship Committee (CFFJAC) is an apprenticeship training program encompassing nearly all paid occupations found in the California Fire Service. It is a "joint" apprenticeship program because it is supported by both management and labor organizations. The CFFJAC is co-sponsored by the Office of the California State Fire Marshal representing management and the California Professional Firefighters, AFL-CIO representing labor.

Over the last several years the training demands and costs have increased beyond the existing training budget, even with the CFFJAC program assistance. This new program will assist in capturing more training funds to allow Fire-Rescue to meet its ever demanding training requirements.

As an example, Fire-Rescue employees are currently enrolled through Miramar College each semester for emergency medical technician refresher training. This is an unrecoverable cost to our Department. Under the proposed Fire Technology 265 program, the Department would receive credit and compensation for the hours spent attending these classes.

On February 26, 2005, Fire-Rescue and San Diego Community College District formed a working agreement to establish the Fire Technology 265 Training Program. The proposed training program will augment our existing training program as well as provide a revenue source for future training needs.

Program Description:

The Fire Technology 265 course curriculum will be based on the department's current training requirements. This training includes: central and battalion level in-service-training, daily required drills, specialty training, advanced life support, and emergency medical technician training. The course will be offered to all uniformed Fire-Rescue firefighters for the next five years.

Each enrolled student in the Fire Technology 265 course will meet the criteria as a Full Time Equivalent Student (FTES). The Department will receive State funding for each qualified FTES. The estimated funding is based on \$2.50 per hour, not to exceed 240 hours per student per year. The anticipated annual revenue for Fire-Rescue's participation in the Fire Technology 265 Training Program is \$500,000.

As stated in the Inter-Agency Instructional Services Agreement, all revenue generated from the Fire Technology 265 Training Program must be reinvested into Fire-Rescue's training programs. A SRA will be set up by the Auditor and Comptroller. Revenue will be deposited into this account for the sole purpose of enhancing this program.

Fire-Rescue plans to use this revenue to enhance training services, facilities, materials, and equipment by implementing the following:

- Make improvements to the current electronic infrastructure to enhance computerized training, modeling, and simulation.
- Offer de-centralized training programs to reduce the amount of time a fire company is out of district and not available to respond to emergencies.
- Provide training which will prepare the Department to handle incidents with an "All Risk" approach.
- Build a pool of trainers from current employees to teach certified Federal Emergency Management Agency (FEMA) courses which are designed to meet and enhance Fire-Rescue's strategic initiatives and the national Incident Management System (NIMS).
- Enable the Fire Department to seek out, obtain, and provide innovative Emergency Medical Service (EMS) education plan to develop management, tactical, and task level training to maintain and enhance service delivery.

Conclusion:

Mandatory training demands for Fire-Rescue have increased due to extreme population density growth within the City of San Diego without additional firefighters and funding to prepare and defend against catastrophic events. Some of the recent mandated training includes:

- City of San Diego Worksite Hazardous Material Refresher
- Weapons of Mass Destruction
- Terrorism/Homeland Security
- Wildland/Earthquake/Flood

This agreement will allow the Department to stay compliant without any adverse impact to the general fund.

FISCAL CONSIDERATIONS:

There is no fiscal impact to the General Fund. Annual revenue from the Fire Technology 265 Training Program is estimated at \$500,000. The Community College will be invoiced quarterly with the revenue being deposited into a SRA set up by the Auditor and Comptroller. The fund will be drawn down based on an annual Fire-Rescue Department spending plan for the use of training and education.

PREVIOUS COUNCIL COMMITTEE ACTION:

There are no previous council committee actions.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Fire-Rescue has not involved or solicited community participation on this project. However, the San Diego Community District College Board of Trustees voted unanimously to implement the fire Technology 265 Program with the City of San Diego in June 2005.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

San Diego Fire-Rescue Department and San Diego Community College District (Miramar College) as stated in the Inter-Agency Instructional Service Agreement.

Bowman/Olen

Staff: Kenneth Malbrough - (619) 692-4983
William J. Gersten - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:51 p.m. – 2:52 p.m.)

MOTION BY YOUNG TO ADOPT. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-206: Francis Street Excess Land Sale.

(Mountain View Community Area. District 4.)

(Continued from the meeting of May 30, 2006, Item 101, at the request of Council President Pro Tem Young, for further review.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2006-966) ADOPTED AS RESOLUTION R-301526

Authorizing the Mayor, or his designee, to execute, for and on behalf of the City of San Diego, a quitclaim deed, to adjacent property owner, Jose Sanchez, all the City's right, title, and interest in a 3,280 square foot parcel, being a portion of

Lots 1 and 2 in Block 83 San Diego Homestead Union, as more particularly described in the quitclaim deed for the sum of \$16,000;

Authorizing the City Auditor and Comptroller to accept \$16,000 and deposit said sum into the General Fund.

STAFF SUPPORTING INFORMATION:

The 3,250 square foot parcel, to be sold, was Quit Claimed to the City by Caltrans as excess land from the State's development of the Imperial Avenue northbound on-ramp to I-15. The parcel is trapezium shape, sloping to Francis Street on the west side and abutting the trolley line to the south.

Approval of the sale of the parcel for \$ 16,000 will relieve the City of liability and maintenance of a property that due to its irregular shape and topography would have limited, if any, potential for individual development. Joining the parcel with the adjacent property will provide for a more residentially developable property.

FISCAL CONSIDERATIONS:

Proceeds from the sale of the property, \$16,000, will be deposited into the General Fund.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

N/A

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Mount Hope community will receive a site for new residential housing Jose Sanchez, adjacent property owner, will have a more developable property.

MacKenzie/Waring

Staff: Waring - (619) 236-6721
Brock Ladewig - Deputy City Attorney

FILE LOCATION: DEED F-9991

COUNCIL ACTION: (Time duration: 2:52 p.m. – 2:52 p.m.)

MOTION BY YOUNG TO ADOPT. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-207: Fiscal Year 2006-07 Tax and Revenue Anticipation Note.

(See Report to the City Council No. 06-066.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2006-1049) ADOPTED AS RESOLUTION R-301527

Authorizing the issuance of Tax and Revenue Anticipation Notes in a single series (Notes) of the City of San Diego (City) for Fiscal Year 2006-07 pursuant to Section 92 of the City Charter, together with Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (collectively, the Authorizing Law), and in accordance with the declarations, conditions and terms set forth in those certain documents (Accompanying Document) and (Note Purchase Agreement), including exhibits thereto, each completed and executed as set forth herein, in an aggregate principal amount not to exceed the lesser of \$160,000,000 or the maximum amount permitted under the Authorizing Law and approval by the Chief Financial Officer;

Declaring pursuant to California Government Code Sections 53856 and 53857, the resolution authorizing the issuance of the Notes shall specify what taxes, income, revenue, cash receipts or other moneys are pledged for the payment of the Notes, and the Notes and the interest thereon shall be a first lien and charge against, and shall be payable from the first moneys received by the City from, such pledged moneys, and any Note not paid from the taxes, income, revenue, cash receipts or other moneys of the City shall be paid from any other moneys of the City lawfully available therefore;

Declaring (1) the City pledges Available Revenues (as defined below) and Available Property Taxes (as defined below) as security for the payment of the principal of and interest on the Notes, and (2) the City agrees and covenants to deposit in trust into a special fund to be held by the City for the benefit of the owner of the Notes, designated as the "2006-07 Tax and Revenue Anticipation

Notes Set Aside Account" (Set Aside Account), sufficient moneys to enable the City to pay in full such principal and interest in multiple installments from Property Taxes (as defined below) and other Revenues, and (3) the City agrees and covenants to further establish a special fund to be held by the City for the benefit of the owner of the Notes designated as the "2006-07 Tax and Revenue Anticipation Notes Segregation Account" (Segregation Account) for interim deposit of Property Taxes, all in the manner set forth in and otherwise in accordance with the Accompanying Document and the Note Purchase Agreement. If, by the date or dates specified in the Accompanying Document and the Note Purchase Agreement, the amount on deposit in the Set Aside Account is not sufficient to pay the portion of the principal and interest on the Notes required to be on deposit therein on such date or dates, appropriate officers of the City shall thereafter transfer and deposit Revenues to the Set Aside Account so that the amounts in the Set Aside Account are at least equal to the amounts required to pay the principal of and interest on the Notes as they become due. In the manner set forth in and in accordance with the Accompanying Document and the Note Purchase Agreement, (1) the Set Aside Account and all amounts held therein, Available Property Taxes and Available Revenues are hereby pledged and irrevocably set aside to the payment of the Notes, (2) amounts deposited in the Set Aside Account may not be used for any purpose other than payment of the Notes and may be invested in legal investments which are permitted by the California Government Code and which mature not later than the latest maturity date of the Notes; provided that the earnings on any such investment shall be transferred by the City to the City's General Fund, (3) the Segregation Account shall be created and held in trust for the payment of the Notes, and shall be funded, applied, invested and disbursed, and (4) the Notes shall be a first lien and charge against, and shall be payable from the first moneys received by the City from, Available Property Taxes and Available Revenues;

Declaring for purposes of this Resolution, "Revenues", "Available Revenues", "Property Taxes" and "Available Property Taxes" shall have the meaning set forth in this paragraph. "Revenues" means all legally available taxes, income, revenue, cash receipts and other moneys of the City attributable to the City's 2006-07 fiscal year, and chargeable to the City's General Fund, and excluding moneys which, when received by the City will be encumbered for a special purpose.

"Available Revenues" means (1) with respect to any Set Aside Period (as defined in the Accompanying Document), that portion of Revenues existing on and after the date specified with respect to such Set Aside Period which are required to be deposited in the Set Aside Fund, or (2) on and after May 31, 2007 or any Event of Default, the Revenues, in each case in accordance with the Accompanying

Document and the Note Purchase Agreement. "Property Taxes" means that portion of Revenues consisting of ad valorem property taxes payable to, or for the benefit of the City in respect of its 2006-07 fiscal year, but excluding ad valorem property taxes payable to the City pursuant to the "triple flip" adjustment provisions of California law, including California Revenue and Taxation Code Section 97.68. "Available Property Taxes" means (1) with respect to any Set Aside Period (as defined in the Accompanying Document), that portion of Property Taxes on deposit in the Segregation Account or otherwise held by the City existing on and after the beginning of such Set Aside Period, in amounts which are required to be deposited in the Set Aside Fund, or (2) on and after any Event of Default, the Property Taxes, in each case in accordance with the Accompanying Document and the Note Purchase Agreement;

Authorizing the Chief Financial Officer, or his designee, to sell the Notes on a private placement basis, without provision of an official statement or other offering document, to Bank of America, N.A. pursuant to the terms and procedures set forth in the Accompanying Document and in the Note Purchase Agreement; provided the Notes shall bear interest at the variable rate established from time to time pursuant to the Note Purchase Agreement, and in no event to exceed 10% per annum, and the aggregate principal amount of the Notes shall be disbursed to the City from time to time in accordance with the draw down procedures set forth in the Note Purchase Agreement and shall not exceed in the aggregate the lesser of \$160,000,000 or the maximum amount permitted under the Authorizing Law, as certified by the Acting City Treasurer and the City Auditor and Comptroller pursuant to the completed Accompanying Document and as further approved by the Chief Financial Officer, or his designee, his execution of the Accompanying Document to be conclusive evidence thereof;

Authorizing the Chief Financial Officer, or his designee, to execute and deliver the Accompanying Document and the Note Purchase Agreement, respectively, for and on behalf of the City, each such document to be modified with the approval of the Chief Financial Officer, or designee, to reflect the final terms described herein, and as further modified upon the advice of the City Attorney in such manner as facilitates the purchase by Bank of America, N.A. of the Notes in a manner consistent with the Authorizing Law (including modifications related to the portion of Revenues which shall constitute Available Revenues or Available Property Taxes, or the Set Aside Periods, the funds and accounts established with respect to the Notes), such approval to be conclusively evidenced by such officer's execution thereof;

Authorizing each of the City Auditor and Comptroller and the Acting City Treasurer, or any designee thereof, to execute and deliver a Tax Certificate prepared by Bond Counsel obligating the City to comply with certain covenants in order to maintain the exclusion of interest on the Notes from the gross income of the owners thereof for federal income tax purposes;

Authorizing and directing the Mayor, the Chief Financial Officer, the Acting City Treasurer, the City Clerk, and the City Auditor and Comptroller, and their designees, upon advice of the City Attorney and Bond Counsel, jointly and severally, to do any and all things and to execute, modify and deliver any and all documents, agreements and certificates which they may deem necessary or advisable in order to effect the issuance, sale and delivery of the Notes, and otherwise to carry out the purposes of this Resolution;

Authorizing the City Attorney to enter into an agreement with Stradling Yocca Carlson & Rauth, a Professional Corporation, to provide bond counsel services in connection with the issuance of the Notes.

STAFF SUPPORTING INFORMATION:

The City has issued Tax Anticipation Notes or Tax and Revenue Anticipation Notes (TRAN) every year since Fiscal Year 1968 (except Fiscal Year 1979) to finance the General Fund cash flow needs of the City in anticipation of the receipt of property tax revenues from the County in December and April of each year. The California Government Code, together with City Charter Section 92 authorizes the City to issue short-term notes in any fiscal year in anticipation of the collection of taxes and revenues of such fiscal year.

For Fiscal Year 2007, as has been the case for Fiscal Years 2005 and 2006, due to the unavailability of audited financial statements, the TRAN is structured as a private placement. There is no private or public offering circular containing City disclosure for this transaction. The loan is structured as a direct loan facility on a fixed rate basis and the Note will be held by the bank for its own investment portfolio through the maturity of the Note. B of A agrees to the requirement that the Note be non-transferable and non-assignable to any other firm or investor.

The City will enter into a Note Purchase Agreement ("NPA") with B of A, pursuant to which the City will agree to sell the Note in an amount not to exceed \$160 million to B of A. The Fiscal Year 2006-07 Tax and Revenue Anticipation Note ("Note") will have a nominal maturity of up to 13-months and the ability to retire early without penalty. The City will receive the right to draw moneys upfront or on an as needed basis over the agreed term on the Note. The NPA also gives the City flexibility to borrow upfront at either a 12-month or a 13-month fixed rate. Given the current market conditions, the City expects to draw the entire loan upfront for the full term

(13-months) and reinvest the unutilized proceeds, reducing the net interest payments. The City expects to borrow \$142 million, based on the maximum deficit projected for Fiscal Year 2007 as indicated by the projected cash flows. The Note is scheduled to be priced during the week of June 26, 2006 with the closing and receipts of Note proceeds to occur on July 3, 2006.

The selection of B of A as the lender for this transaction was made through a competitive process. B of A was selected based on the most competitive bid and flexible structuring options offered. Lamont Financial Services Corporation was selected from the City's financial advisor list to provide financial advisory services and Stradling Yocca Carlson & Rauth has been identified through a competitive process to serve as bond counsel for this transaction.

FISCAL CONSIDERATIONS:

As determined by the Fiscal Year 2007 Projected Cash Flow Deficit Report, the City expects to borrow \$142 million on July 3, 2006. Based on current market conditions the net interest cost of this borrowing is expected to be in the range of \$3.0 - \$3.5 million. The fees related to the bond counsel (in an amount not to exceed \$25,000), financial advisory services (in an amount not to exceed \$80,000), and the B of A counsel (in an amount not to exceed \$30,000) will be paid from the Tax Anticipation Notes Revolving Fund (Fund No. 65013).

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The City has annually issued TRANs to meet its General Fund seasonal cash flow deficit.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

None

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Business entities involved in this transaction are - Bank of America Securities LLC, a subsidiary of Bank of America Corporation (Lender); White & Case, LLP (Bank's counsel); Stradling Yocca Carlson & Rauth (bond counsel); and Lamont Financial Services Corporation (Financial Advisor).

Granewich/Goldstone

Aud. Cert. 2600863.

Staff: Lakshmi Kommi - (619) 236-6928
Mark D. Blake – Chief Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:53 p.m. – 3:05 p.m.)

MOTION BY YOUNG TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-208: Connolly Residence.

Matter of approving, conditionally approving, modifying or denying an application for a Neighborhood Development Permit and Sewer Easement Abandonment in order to construct a new 4,592 square-foot single-family residence on a vacant 0.22-acre site containing steep hillsides and sensitive vegetation. The project site is located at 5242 Cromwell Ct. in the RS-1-7, RS-1-1 and OR-1-1 Zone, within the Normal Heights Neighborhood Element of the Mid-City Communities Plan.

(See Report to the City Council No. 05-177. Project No. 3760. Mid-City Communities Plan/Normal Heights Neighborhood Element Area. District 3.)

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2006-982) ADOPTED AS RESOLUTION R-301528

Adoption of a Resolution certifying that Final Negative Declaration No. 3760, on file in the Office of the City Clerk, has been completed in compliance with the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq.), as amended, and the State Guidelines thereto (California Code of Regulations Section 15000 et seq.), that the declaration reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in said report, together with any comments received during the public review process, has been reviewed and considered by this Council in connection with the approval of easement abandonment and neighborhood development permit for the Connolly Residence project;

That the Council finds, based upon the Initial Study and any comments received, that there is no substantial evidence that the project will have a significant effect on the environment and therefore the Final Negative Declaration is approved;

That the City Clerk is directed to file a Notice of Determination (NOD) with the Clerk of the Board of Supervisors for the County of San Diego regarding the above project.

Subitem-B: (R-2006-983) ADOPTED AS RESOLUTION R-301529

Adoption of a Resolution adopting vacating that the portion of easement located within the Mid-City Communities Plan area in connection with the Neighborhood Development Permit No. 6244, as more particularly described in the legal description marked as Exhibit "A," and shown on Drawing No. 20115-B, marked as Exhibit "B," and on file in the Office of the City Clerk, which are by this reference incorporated herein and made a part hereof, is order vacated;

That said easement is conditioned upon approval and issuance of Neighborhood Development Permit No. 6244. In the event this condition is not completed within two years following the adoption of this resolution, then this resolution shall become void and be of no further force or effect;

That the City Engineer shall advice the City Clerk of the completion of the aforementioned condition and the City Clerk shall cause a certified copy of this resolution, with attached exhibits, attested by her under seal, to be recorded in the Office of the County Recorder;

That the City Clerk shall cause a certified copy of this resolution, with attached exhibits, attested by her under seal, to be recorded in the Office of the County Recorder.

Subitem-C: (R-2006-984) ADOPTED AS RESOLUTION R-301530

Adoption of a resolution adopting the findings with respect to Neighborhood Development Permit No. 6244;

That Neighborhood Development Permit No. 6244 is granted to Foster Carr and David Englert, Owners/Permittees, under the terms and conditions set forth in the attached permit which is made a part of this resolution.

OTHER RECOMMENDATIONS:

Planning Commission on April 21, 2005, voted 6-0 to approve; no opposition.

Ayes: Steele, Schultz, Garcia, Ontai, Otsuji, Chase
Not present: Grisworld

The Normal Heights Neighborhoods Community Planning Committee has recommended approval of this project.

STAFF SUPPORTING INFORMATION:

The project proposes to develop a 0.22-acre hillside site with a 4,352 square-foot, two-story single-family home above a partial basement. The development plans also include a pool and spa as well as ornamental landscape and brush management on the adjacent hillside. The Neighborhood Development Permit is required to develop the site because the property contains steep hillsides and the proposed structure would not provide the required 40-foot setback from the top of the slope. The Easement Abandonment is necessary to remove an existing sewer easement located at the front of the site. The easement currently encumbers development of the property and must be abandoned in order to locate the structure at the top of the slope. Locating the structure at the top of the slope is preferred in order to preserve the natural hillside. The easement abandonment action requires City Council approval, and therefore, the consolidated project is a Process Five decision.

The project site is located at 5242 Cromwell Court within the Normal Heights Neighborhood Element of the Mid-City Communities Plan. The Community Plan designates the site for Open Space and low density residential development at 1 to 5 dwelling units per acre. The vacant lot includes steep hillsides and has three different underlying zones. The portion of the property fronting Cromwell Court is zoned RS-1-7 and includes a previously graded area forming a relatively flat pad area. The middle area of the site is zoned RS-1-1 and includes some previously disturbed slope and fill material. The lower, undisturbed portion of the lot is zoned OR-1-1. The proposed home would be developed primarily within the RS-1-7 Zone and to a lesser extent, within the disturbed portion of the RS-1-1 Zone. The project site and several adjacent properties were previously developed with single-family homes that were destroyed in the 1988 Normal Heights Fire. The surrounding neighborhood is characterized by single-family homes above the adjacent hillsides and canyons with ridge-top development in a variety of sizes and architectural styles. Newer homes in the vicinity that were built after the fire tend to be much larger than the older homes in the immediate area.

The proposed development of a single-family home on the site would be consistent with the recommended land use and density of the Mid-City Communities Plan and the structure would comply with the applicable development regulations of the Municipal Code. An Environmental Initial Study concluded that the proposed development would not have any significant impact to the site or the surrounding area. The Normal Heights Planning Committee reviewed the proposed development and recommended that the project be approved. On April 21, 2005, the San Diego

Planning Commission recommended that the City Council approve the project pursuant to the staff recommendation. City staff is supportive of abandoning the existing sewer easement and developing the property with a single-family home consistent with the underlying development regulations. Therefore, staff recommends that the City Council approve Neighborhood Development Permit No. 6244 and Easement Abandonment No. 182887.

FISCAL CONSIDERATIONS:

A deposit has been collected from the applicant to cover all costs associated with processing the proposed project.

PLANNING COMMISSION RECOMMENDATION:

On April 21, 2005, the Planning Commission voted 6-0-0 to recommend that the City Council APPROVE the Neighborhood Development Permit and Easement Abandonment.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Normal Heights Community Planning Committee voted 9-0-0 on August 6, 2002, recommending approval of the project with the condition that no gas line be permitted to the guest bedroom. The condition is intended to prevent the guest bedroom from being converted to a companion unit in that it is attached to, but somewhat separate from the main house. This issue is addressed in the Neighborhood Development Permit (Condition No. 37).

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Owners: Dr. Foster Carr & Mr. David Englert

Halbert/Waring/PH

LEGAL DESCRIPTION:

The vacant, 0.22-acre proposed project site is located at 5242 Cromwell Court in the Normal Heights Neighborhood of the Mid-City Communities Plan Area and is more particularly described as Lot 5 Indian Hill Subdivision, Map 1947.

Staff: Patrick Hooper – 619-557-7992
Shannon M. Thomas – Deputy City Attorney

NOTE: This item is not subject to Mayor's veto.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:53 p.m. – 2:53 p.m.)

MOTION BY ATKINS TO ADOPT. Second by Hueso. Passed by the following vote:
Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea,
Madaffer-yea, Hueso-yea.



ITEM-209: Vista Diego.

Matter of approving, conditionally approving, or denying a Site Development Permit, Tentative Map, Public Right-Of-Way Use Permit, and Angle Parking to demolish the existing auto repair complex with associated structures, and consolidate the three parcels into one lot for the construction of a mixed-use development containing 11 for-sale residential units and two commercial retail spaces. The project would include the replacement of four on-street parallel parking spaces with 12 on-street angle parking spaces with five landscaped islands on San Diego Avenue, and the reconfiguration and landscaping of the traffic island at the intersection of San Diego Avenue and California Street. The proposed project would conform with the Inclusionary Affordable Housing Requirements and Council Policy 600-27(A) criteria for the Affordable/In-Fill Housing Expedite Program by setting aside at least 10 percent of the total for-sale dwelling units on-site for households with an income at or below 100 percent Area Median Income (AMI). The 0.336-acre site is located at 1858 and 1866 San Diego Avenue on the corner of California Street and San Diego Avenue, east of Interstate 5 within the Uptown Community Plan, the CL-6 Zone of the Mid-City Communities Planned District, and the Airport Approach Overlay Zone (AAOZ).

(See Report to City Council No. 06-066. Uptown Community Area. District 2.)

(Continued from the meeting of May 22, 2006, Item 206, at Councilmember Faulconer's request, for further review.)

NOTE: Hearing open. No public testimony taken on 5/22/2006.

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2006-903) ADOPTED AS RESOLUTION R-301531

Adoption of a resolution certifying that Mitigated Negative Declaration No. 59986, on file in the Office of the City Clerk, has been completed in compliance with the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq.), as amended, and the State guidelines thereto (California Code of Regulations Section 15000 et seq.), that the declaration reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in the report, together with any comments received during the public review process, has been reviewed and considered by this Council in connection with the approval of the site development permit/public right-of-way use permit/tentative map and angle parking for Vista Diego project;

That the City Council finds that project revisions now mitigate potentially significant effects on the environment previously identified in the Initial Study and therefore, that the Mitigated Negative Declaration, a copy of which is on file in the Office of the City Clerk and incorporated by reference, is approved;

That pursuant to California Public Resources Code Section 21081.6, the City Council adopts the Mitigation Monitoring and Reporting Program, or alterations to implement the changes to the project as required by this body in order to mitigate or avoid significant effects on the environment, (Exhibit A) and incorporated herein by reference;

That the City Clerk is directed to file a Notice of Determination [NOD] with the Clerk of the Board of Supervisors for the County of San Diego regarding the above project.

Subitem-B: (R-2006-904) ADOPTED AS RESOLUTION R-301532

Adoption of a resolution adopting the findings with respect to SDP Permit No. 177769 and Public ROW Use Permit No. 305646;

That Site Development Permit No. 177769 and Public Right-of-Way Use Permit No. 305646 is granted to 1858 San Diego Avenue, LLC, Owners/Permittees, under the terms and conditions set forth in the permit.

Subitem-C: (R-2006-906) ADOPTED AS RESOLUTION R-301533

Adoption of a resolution adopting the findings with respect to Tentative Map No. 17770;

That Tentative Map No. 17770, is granted to 1858 San Diego Avenue, LLC Applicant/Subdivider and Lundstrom and Associates, Engineer, subject to attached conditions which are made part of this resolution by this reference.

Subitem-D: (R-2006-905) ADOPTED AS RESOLUTION R-301534

Adoption of a resolution that it permits the angle parking on San Diego Avenue, a copy of which is on file in the Office of the City Clerk.

OTHER RECOMMENDATIONS:

Planning Commission on March 30, 2006, voted 4-0 to approve; no opposition.

Ayes: Schultz, Chase, Ontai, Otsuji

Recused: Steele

Not present: Garcia, Griswold

The Uptown Planners Group has recommended denial of this project.

STAFF SUPPORTING INFORMATION:

The proposed project site is located on the corner of California Street and San Diego Avenue, east of Interstate 5 (Attachment 1). The site is located within the Uptown Community Plan, the CL-6 Zone of the Mid-City Communities Planned District, and the Airport Approach Overlay Zone (AAOZ). The proposed project includes an Affordable Housing Density Bonus component, and will provide one for-sale unit affordable to families with an income at or below 100 percent Area Median Income (\$63,400 for a family of four).

The project proposes to demolish the existing auto repair services office, the auto repair garage, and two existing carports, and consolidate the three parcels into one lot for the construction of a mixed-use development containing 11 for-sale residential units and two commercial retail spaces. The proposed first floor would contain a grade level-parking garage with 15 parking spaces and two commercial condominiums, and the second floor would contain a parking garage with 12 parking spaces and three residential condominiums. The proposed third and fourth floors would contain four flat residential condominiums and four town home condominiums.

Development of the proposed project requires the approval of a Site Development Permit (SDP) for development within the Mid-City Communities Planned District and for deviations to the regulations (height, front yard setback, interior side yard setback, and street yard setback); Tentative Map (TM) for condominium units (residential and commercial); Public Right-of-Way (ROW) Use Permit for the reconfigured and landscaped traffic island at the intersection of San Diego Avenue and California Street; and for Angle Parking. The City Council may by resolution permit angle parking on any street pursuant to Chapter 8, Article 6, Division 0, Section 86.03 of the San Diego Municipal Code.

FISCAL CONSIDERATIONS:

None.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On October 4, 2005, the Uptown Planners voted 4-8-1 on a failed motion to approve the project. A second motion to deny the height deviation passed with a vote of 7-5-1.

On March 30, 2006, the proposed project was heard by the Planning Commission and after considering the staff report, public testimony, and clarification to the Planning Commissioner's questions, the Planning Commission voted 4-0 on a motion to recommend to the City Council approval of the proposed project based on the staff's recommendation.

The proposed project has generated community opposition in the form of two petitions with approximately 47 signatures (Attachment 24 in PC Report No. PC-06-066). The cover letter identifies the community issue and opposition to the proposed project is the height of the building. Additional emails in opposition were received after the report was distributed (Attachment 3).

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Gregory T. and Melinda Earl Smith, 1858 San Diego Avenue, LLC, Owner/Applicant; M. W. Steele Group, Inc., Architect; Lundstrom and Associates, Engineer; Environs, Landscape Architect; and URS Corporation, Acoustic Consultant.

Halbert/Waring/JAP

LEGAL DESCRIPTION:

The proposed project is located at 1858 and 1866 San Diego Avenue, at the triangular corner of San Diego Avenue and California Street, within the Mid-City Communities Planned District, the Airport Approach Overlay Zone, and the Uptown Community Planning Area. Legal Description: Lots 2-4, Block 193, Middletown.

Staff: Jeffrey A. Peterson – (619) 446-5237
Shannon M. Thomas– Deputy City Attorney

NOTE: This item is not subject to Mayor’s veto.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:46 p.m. – 4:34 p.m.)

Testimony in opposition by Joe Rino, Patricia Littell and Thomas Littell.

Testimony in favor by Astrid Cybulsky, Greg Smith and Ian Epley.

MOTION BY FAULCONER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-250: **Notice** of Pending Final Map Approval – House of Blues/Diegan Hotel.

Notice is hereby given that the City Engineer has reviewed and will approve on this day the subdivision of land shown on that certain final map entitled “House of Blues/Diegan Hotel” (T.M. No. 143818/PTS No. 80267), located between Broadway and “C” Street, Fifth Avenue, and Sixth Avenue in the Centre City Community Plan Area in Council District 2, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

(1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.

(2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.

(3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the date of this Notice stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the approval findings or need additional information about the map or your appeal rights, please feel free to contact Deputy City Engineer Lee Hennes at (619) 446-5291.

ITEM-251: Notice of Pending Final Map Approval – 4328 Louisiana Street.

Notice is hereby given that the City Engineer has reviewed and will approve on this day the subdivision of land shown on that certain final map entitled “4328 Louisiana Street” (T.M. No. 148322/PTS No. 93972), located on the east side of Louisiana Street between Meade Avenue and El Cajon Boulevard in the Greater North Park Community Plan Area in Council District 3, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

(1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.

(2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.

(3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the

date of this Notice stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the approval findings or need additional information about the map or your appeal rights, please feel free to contact Deputy City Engineer Lee Hennes at (619) 446-5291.

ITEM-252: Notice of Pending Final Map Approval – Felspar Park.

Notice is hereby given that the City Engineer has reviewed and will approve on this day the subdivision of land shown on that certain final map entitled “Felspar Park” (T.M. No. 162724/PTS No. 81703), located on the south side of Felspar Street between Fanuel Street and Gresham Street in the Pacific Beach Community Plan Area in Council District 2, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

- (1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.
- (2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.
- (3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the date of this Notice stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the approval findings or need additional information about the map or your appeal rights, please feel free to contact Deputy City Engineer Lee Hennes at (619) 446-5291.

ITEM-253: Notice of Pending Final Map Approval – 4955 Narragansett Avenue.

Notice is hereby given that the City Engineer has reviewed and will approve on this day the subdivision of land shown on that certain final map entitled "4955 Narragansett Avenue" (T.M. No. 177485/PTS No. 89812), located on the south

side of Narragansett Avenue between Bacon Street and Cable Street in the Ocean Beach Community Plan Area in Council District 2, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

- (1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.
- (2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.
- (3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the date of this Notice stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the approval findings or need additional information about the map or your appeal rights, please feel free to contact Deputy City Engineer Lee Hennes at (619) 446-5291.

ITEM-254: Notice of Pending Final Map Approval – 4929 Del Monte Avenue.

Notice is hereby given that the City Engineer has reviewed and will approve on this day the subdivision of land shown on that certain final map entitled “4929 Del Monte Avenue” (T.M. No. 173302/PTS No. 89891), located on the south side of Del Monte Avenue between Bacon Street and Cable Street in the Ocean Beach Community Plan Area in Council District 2, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

- (1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.

(2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.

(3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the date of this Notice stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the approval findings or need additional information about the map or your appeal rights, please feel free to contact Deputy City Engineer Lee Hennes at (619) 446-5291.

ITEM-255: Notice of Pending Final Map Approval – 4940 Del Monte Avenue.

Notice is hereby given that the City Engineer has reviewed and will approve on this day the subdivision of land shown on that certain final map entitled “4940 Del Monte Avenue” (T.M. No. 169265/PTS No. 89888), located on the north side of Del Monte Avenue between Bacon Street and Cable Street in the Ocean Beach Community Plan Area in Council District 2, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

(1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.

(2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.

(3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the

date of this Notice stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the approval findings or need additional information about the map or your appeal rights, please feel free to contact Deputy City Engineer Lee Hennes at (619) 446-5291.

ITEM-256: Notice of Pending Final Map Approval – Spectrum Terrace.

Notice is hereby given that the City Engineer has reviewed and will approve on this day the subdivision of land shown on that certain final map entitled “Spectrum Terrace” (T.M. No. 106071/PTS No. 80834), located northeasterly of Polk Avenue and Georgia Street in the Greater North Park Community Plan Area in Council District 3, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

- (1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.
- (2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.
- (3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the date of this Notice stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the approval findings or need additional information about the map or your appeal rights, please feel free to contact Deputy City Engineer Lee Hennes at (619) 446-5291.

ITEM-257: Notice of Pending Final Map Approval – 4367 Idaho Street.

Notice is hereby given that the City Engineer has reviewed and will approve on this day the subdivision of land shown on that certain final map entitled “4367

Idaho Street.” (T.M. No. 215922/PTS No. 90297), located on the east side of Idaho Street between El Cajon Boulevard and Meade Avenue in the Greater North Park Community Plan Area in Council District 3, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

- (1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.
- (2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.
- (3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the date of this Notice stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the approval findings or need additional information about the map or your appeal rights, please feel free to contact Deputy City Engineer Lee Hennes at (619) 446-5291.

ITEM-258: SUBMISSION OF BALLOT PROPOSALS

City Council Policy 000-21 establishes the procedure for submittal of ballot proposals. The Council Policy states that members of the public shall submit proposals to the City Clerk, who shall then transmit them promptly to the Rules Committee for review and comment. The proposals must be submitted in time to allow the City Clerk to list on the Council Docket 127 days prior to the election the ballot proposals which have been referred back to Council following Rules Committee review.

Therefore, the City Clerk’s Office has established the following administrative guidelines for the November 7, 2006 election:

**DAYS
BEFORE**

<u>DAY</u>	<u>DATE</u>	<u>ELECTION</u>	<u>EVENT</u>
Friday	6/16/2006	144	LAST DATE (10:00 a.m.) for public, departments, and agencies to submit ballot proposals to City Clerk for review by Rules Committee
Wednesday	6/21/2006	139	Rules Committee review of ballot proposals
Monday	6/26/2006	134	Council Docket (PUBLIC NOTICE) lists proposals referred by Rules Committee
Monday	7/10/2006	120	Council adopts propositions for ballot; directs City Attorney to prepare ordinances
Monday	7/31/2006	99	Council adopts ordinances prepared by City Attorney
Friday	8/11/2006	88	Last day for City Clerk to file with Registrar of Voters all elections material
Thursday	8/24/2006	75	Last day to file ballot arguments with City Clerk

If you have questions, please contact the Office of the City Clerk at (619) 533-4050.



[ITEM-S400:](#) Third Amendment to the Agreement between the City and Stradling Yocca Carlson & Rauth for Bond Counsel Services.

CITY ATTORNEY'S RECOMMENDATION:

Introduce the following ordinance:

(O-2006-147) INTRODUCED, TO BE ADOPTED ON
TUESDAY, JUNE 27, 2006

Introduction of an Ordinance authorizing the City Attorney to enter into a Third Amendment for Bond Counsel Services with respect to bond counsel and disclosure counsel services rendered in connection with the issuance of bonds for Communities Facilities District No. 3 (Liberty Station); provided however that

bond counsel shall be paid only from proceeds of the bonds and any deposits made by the developer therefor.

NOTE: 6 votes required.

SUPPORTING INFORMATION:

In 2002, the City selected the Corky McMillin Companies (McMillin) to serve as the developer to redevelop the Naval Training Center (NTC). As part of its bid proposal and financing plan, McMillin proposed the formation of a Communities Facilities District (CFD) to finance certain infrastructure improvements for NTC. In connection with the formation of the CFD, and the financing of certain infrastructure improvements, the City retained the law firm of Stradling Yocca Carlson & Rauth (Firm) for bond and disclosure counsel services.

The contract for bond and disclosure counsel services has been amended from time to time due to the length of time associated with formation of the CFD and the issuance of the bonds, including a first amendment to the agreement, dated April 27, 2002, and a second amendment to the agreement, dated January 6, 2003. Due to the additional time required to issue the bonds, including the suspension of the bond issue due to delays associated with the investigation of the mold issue within the CFD, it is necessary to enter into a third amendment to the agreement for bond counsel services to provide additional compensation to bond counsel, in the amount of (i) \$160,000 for legal services associated with analyzing the feasibility of forming the CFD and selling the bonds, and (ii) \$100,000, for disclosure counsel services and \$3,000 for related expenses.

The fees of the Firm will be paid from moneys on deposit by McMillin and from proceeds of the Bonds. No funds of the City will be used to pay the Firm.

FISCAL CONSIDERATIONS:

None

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Approval of Agreement May 11, 2000 (C-10033) Approval of First Amendment to Agreement April 27, 2002 (C-11367); Second Amendment to Agreement January 16, 2003 (C-11888)

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

N/A

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Stradling Yocca Carlson Rauth, APC

Blake

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 3:05 p.m. – 3:06 p.m.)

MOTION BY YOUNG TO INTRODUCE. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-S401: Update and Discussion of Pending State Legislation (AB 2987 Statewide Cable TV Franchise) and its Potential Significant Policy and Fiscal Impacts on Cities.

DISCUSSED

(See letter from Mayor Sanders dated 4/21/2006; memorandum dated 4/14/2006 and letter dated 6/2/2006 from Councilmember Madaffer.)

Tevlin

(Informational item only. No action requested.)

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 3:18 p.m. – 3:46 p.m.)

MOTION BY MADAFFER TO RETURN ON JUNE 19, 2006, TO DISCUSS TAKING A POSITION ON ASSEMBLY BILL 2987 STATEWIDE CABLE TV FRANCHISE. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

REPORT OUT OF CLOSED SESSION:

None.

NON-DOCKET ITEMS:

None.

ADJOURNMENT:

The meeting was adjourned by Council President Peters at 4:34 p.m.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 4:34 p.m.)